

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2001-182-C - ORDER NO. 2001-658

JULY 12, 2001

IN RE: Application of Excel Telecommunications, Inc. for Approval of Tariff Revisions to Adjust the Maximum Rate Schedule for certain Recurring Monthly Charges and Dial Around Connection Fees and to Increase the Current Recurring Monthly Rates and Dial Around Connection Fees.)	ORDER GRANTING
)	VARIOUS RATE
)	INCREASES
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Excel Telecommunications, Inc. (Excel or the Company) for approval to increase the maximum recurring monthly charges and dial around connection fees for certain services, which include residential services, and to increase the current recurring monthly charges and dial around connection fees for some of those services. The Applicant's proposal would impact the rates for a number of the Company's services.

Subsequent to the filing of the Company's Application, the Commission's Executive Director instructed the Company to publish a Notice of Filing in newspapers of general circulation in the areas served by Excel. The purpose of the Notice was to allow interested parties to participate in the proceedings. The Company filed affidavits showing compliance with the instructions of the Executive Director. No Protests or Petitions to Intervene were filed.

A hearing was held on June 27, 2001 at 2:30 PM in the offices of the Commission. The Honorable William Saunders, Chairman, presided. Excel was represented by Faye A. Flowers, Esquire. Excel presented the testimony of Marcy A. Greene. The Commission Staff (the Staff) was represented by F. David Butler, General Counsel. The Staff presented the testimony of Joseph W. Rogers.

Marcy Greene, Assistant General Counsel, Government and Regulatory Affairs for Excel, testified. Excel is seeking authority to raise the maximum rates in its tariff for all of its service offerings' monthly recurring charges (MRC) and to raise the actual MRC that it charges for four of its rate plans. In addition, Excel seeks to raise the maximum and actual connection fee associated with its dial around services. According to Ms. Greene, Excel did not charge a connection fee for dial around calls, so these fees are being introduced for the first time. In tabular form, the proposed increases in MRC maximums are as follows:

Product	Filed MRC Maximum	Proposed MRC Maximum
ExcelPLUS Service	None	\$10.00
ExcelPLUS II Service	\$2.00	\$10.00
PremierPLUS II Service	\$3.00	\$10.00
PremierPLUS III Service	\$2.50	\$10.00
Premier Dial One Service	\$5.00	\$15.00
EXCEL SIMPLY ONE SERVICE	\$1.00	\$10.00
OPTION A (Excel Dime Deal Service)	\$3.00	\$15.00
MY 800 Service	\$3.50	\$15.00
Excel Premier 800 Service	\$10.00	\$15.00

Employee Long Distance Service Program	None	\$10.00
EXCEL THREE-PENNY PLAN	\$5.95	\$15.00
OPTION B SERVICE	\$3.00	\$15.00
Excel Simply More	None	\$15.00

In addition, Excel seeks to increase the actual MRC on the following rate plans:

<u>Rate plan</u>	<u>Current MRC</u>	<u>Proposed MRC</u>
ExcelPLUS	None	\$3.00
ExcelPLUS II	\$2.00	\$3.00
Option A	\$3.00	\$3.75
Option B	\$3.00	\$3.75

Finally, Excel seeks to introduce an actual and maximum connection charge to its dial around products as follows:

<u>Rate plan</u>	<u>Proposed connection charge</u>	<u>Proposed maximum</u>
1010297	\$0.15	\$1.00
1010399	\$0.15	\$1.00
1010457	\$0.15	\$1.00

According to Ms. Greene, these changes will allow Excel to respond to adjustments in the marketplace and in Excel's cost structure and bring it into line with those maximums tariffed by the Company's competitors. Excel's belief is that setting maximum recurring charges in the \$10 to \$15 range is entirely consistent with other carriers' maximum rates on file with the Commission. Greene also notes that the market for commercial and residential interexchange services is very competitive and thus market pressures will restrain Excel (or any other carrier) from raising its rates in an unreasonable fashion.

Joseph W. Rogers testified for the Commission Staff. Rogers noted that Excel's Dial 1 services are similar to MCI Telecommunications, while the calling card services and toll free services may be competitive with Sprint. Also, casual calling products of Excel have commonality to Vartec and AT&T, according to Rogers.

Rogers also states that Excel has provided a wide range of services to both residential and business customers in South Carolina. Excel has been granted alternative regulation for certain of its business services. According to Rogers the pending petition is the only one of its kind sought by Excel since its initial certification in 1991. All other rate adjustments have been exercised within the authority of Commission Order No. 84-622 in Docket No. 84-10-C.

Rogers testified that although there is no public interest in granting higher rates to consumers, in the long run, open competition should benefit the South Carolina consumer. The services outlined in the Application are not in a captive market. Further, Rogers stated that competition among the traditional wireline interexchange carriers has increased rapidly. Excel's maximums for some of the services referenced in its Application were established as early as 1993. Rogers opined that it is not unreasonable to state that since the maximum levels were set, Excel may need the relief sought. Rogers also noted that there are measures available to protect the consumer, should this Commission grant the relief sought.

We have examined the entire record in this case, including the testimony of the Company and the Commission Staff, and we have concluded that the relief sought should be granted as proposed by witness Greene. Clearly, Excel's rates are comparable to

similarly situated carriers for similar services. Also, we agree that Excel should be allowed to adjust its rates in order to better compete in what has truly become a competitive marketplace for interexchange carriers. We believe that competition will keep the Company from charging exorbitant amounts for its services, even under the granted maximums herein. We also note the lack of requests for rate relief from the Company, and the fact that some of the maximum rates from 1993 were still in force. Finally, we agree with Staff witness Rogers that there are measures available to protect the consumer under this scenario.

IT IS THEREFORE ORDERED THAT:

1. The relief requested by Company witness Greene in her amended prefiled testimony is granted.
2. Excel shall file amended tariffs with this Commission conforming its tariffs with this Order within 30 days of receipt of this Order.
3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director
(SEAL)